

Understanding Your PERF Benefits

Your PERF benefit consists of two separate pieces – an employer-funded pension and an Annuity Savings Account. When you become a member of PERF, you immediately begin saving for retirement. The PERF benefit is a very valuable part of your overall retirement savings.

Annuity Savings Account (ASA)

Either you or your employer contributes 3 percent of your wages to your ASA. You may have also elected to contribute additional amounts. This money belongs to you, regardless of employment status. Each quarter, you should receive a statement for this account. You may choose to direct these funds into any of the available investment options.

Pension Benefit

The other portion of your PERF benefits is the defined benefit pension. Your employer funds the entire cost of this future benefit by contributing an amount equal to a designated percentage of your wages to PERF. These funds help pay for the lifetime monthly benefit you and your co-workers will receive upon becoming eligible and applying for PERF retirement benefits. It is important to understand that if you do not become eligible to receive a pension benefit, these funds will remain in the employer's account to fund future benefit obligations to others.

To qualify for full, unreduced PERF benefits, you must meet one of the following age and service combinations:

- Age 65 with at least 10 years of service
- Age 60 with at least 15 years of service
- Age 55 and your age and years of service when added together equal 85 or greater. For example, you would be eligible under this provision if you were 57 with 28 years of service.

Naming Beneficiaries

You may name a beneficiary to receive your PERF assets upon your death. If you do not provide a beneficiary, it may complicate matters for your loved ones upon your passing. If no beneficiary is named, any assets would pass on to your estate.

Contacting PERF

For more information on your benefits under the Public Employees' Retirement Fund, visit:

www.perf.in.gov

On our web site, you can access your PERF Online account by clicking the "Log In Here" button. You will also find publications, forms and more information about your benefits.

If you have any questions, please email us at questions@perf.in.gov or call us, toll-free, at (888) 526-1687.

*This statement has been prepared by the Public Employees' Retirement Fund for the convenience of our members. It is for the purpose of estimating retirement or disability benefits only. PERF cannot warrant the present or future accuracy of any information used herein. The user must understand that the information used in the formula is subject to statutory, regulatory or financial market change without notice due to circumstances beyond PERF's control, thus rendering any figure obtained through this statement higher or lower than that ultimately proved through actual retirement. Any reliance on information obtained through this benefits estimator must be done solely at the member's risk. This statement provides only an **estimate** of your retirement benefit.*

DO NOT INITIATE YOUR RETIREMENT UNTIL YOUR DATA HAS BEEN VERIFIED BY PERF.

Annual Member Statement

143 West Market Street
Indianapolis, IN 46204

<name>
<address>
<city>, IN <zip code>

About this Statement

This is PERF's first-ever Annual Member Statement, which lists our record of your PERF-covered service and wages as of Dec. 31. It uses this service and wage data to calculate what your *estimated* pension benefit will be once you become eligible to receive and apply for retirement benefits. This can be an excellent tool as you make plans for retirement. **Note that this calculation only estimates your projected pension benefit and does NOT include your Annuity Savings Account (ASA) balance.**

What Should I Do With It?

Please review all the personal information provided. **If any of the information in this statement is not what you expected, please contact PERF at questions@perf.in.gov or call, toll-free, (888) 526-1687.** Your employment records are essential to the accuracy of your PERF retirement benefits. PERF, your employer and you share responsibility in keeping your account information accurate. This includes your employment history, beneficiary information and personal address.

Log in to **PERF Online** at **www.perf.in.gov** to view and update your account information. Keeping your information current is very important. This convenient service allows you to:

- Use a Benefit Estimate Calculator with your actual account data, which will help you see how the two pieces of your PERF benefit – pension and ASA – work together. This calculator will show you what your benefit possibly could be using five of your retirement options, while the estimated benefit on page three of this statement is calculated for only one option.
- Use a Service Purchase Calculator with your actual account data to estimate the cost to purchase additional service (for those with at least 10 years of service).
- Change or add beneficiaries.
- Change your Annuity Savings Account investment options.
- Change your address or your beneficiary's address.
- View your quarterly statements online.

Common Terms

The following definitions will help you better understand this statement:

- **Creditable service** – This number represents your years of service in a PERF-covered job that will be used to calculate your benefit.
- **Eligibility service** – This number represents any additional service used to help determine your eligibility to retire, or vested status. However, this service does not count in the calculation of your benefit.
- **Vesting** – the period of time an employee must work to become eligible for PERF pension benefits.
- **Wages** – the amount of your annual salary reported to PERF
- **Beneficiary** – the person or persons you designate to receive any eligible monies after your death.
- **Pension** – Your employer-sponsored retirement plan where the benefits are calculated using a formula that includes salary history and length of employment in a PERF-covered position (creditable service). You must meet specific age and service criteria to be eligible to receive this benefit.
- **Annuity Savings Account (ASA)** – A PERF account in your name that is sponsored by you and/or your employer. This money belongs to you.
- **Average Salary** – Salary used to calculate your pension benefit.

Your PERF Work History¹

YEAR	EMPLOYER NAME	WAGES	SERVICE CREDIT
2004	Employer A	\$ 5,303.00	0.0833
1998	Employer A	19,366.25	0.5
1997	Employer A	38,732.85	1
1996	Employer A	38,732.85	1
1995	Employer A	38,732.85	1
1994	Employer A	32,632.22	1
1993	Employer A	32,632.22	1
1992	Employer A	32,632.22	1
1991	Employer A	32,632.22	1
1990	Employer A	32,632.22	1
1989	Employer A	32,632.22	1
1988	Employer A	32,632.22	1
1987	Employer A	32,632.22	1
1984	Employer A	32,632.22	1
1983	Employer A	32,632.22	1
1981	Employer B	21,350.63	0.75
1980	Employer B	28,467.51	1
1979	Employer B	28,467.51	1
1978	Employer B	28,467.51	1
1977	Employer B	28,467.51	1

YEAR	EMPLOYER NAME	WAGES	SERVICE CREDIT
1976	Employer B	28,467.51	1
1975	Employer B	28,467.51	1
1973	Employer C	11,149.85	0.5
1972	Employer C	22,299.70	1
1971	Employer C	22,299.70	1
1970	Employer C	22,299.70	1
1969	Employer C	22,299.70	1
1968	Employer C	22,299.70	1
1967	Employer C	22,299.70	1
1966	Employer C	22,299.70	1
1965	Employer C	18,984.21	1
1964	Employer C	18,984.21	1
1963	Employer C	18,984.21	1
1962	Employer C	18,984.21	1
1961	Employer C	18,984.21	1
1960	Employer C	18,984.21	1
1959	Employer C	18,984.21	1
1958	Employer C	18,984.21	1
1957	Employer C	18,984.21	1
1956	Employer C	18,984.21	1

Total Years of Creditable Service	<amount>
Total Years of Eligibility Service	<amount>
Total Years of Service Credit	<amount>

¹If you have more than 52 periods of employment, your Total Years of Service Credit is correct; however the breakdown of employment periods has not been listed due to space constraints.

Estimating Your Pension Benefit

Each year you work in a PERF-covered position, you are earning creditable service towards a retirement. The tables below show the creditable service and average salary used to estimate your future pension benefit.

Your Estimated Benefits are based on your work and salary history if you chose the **Five Year Guaranteed Benefit** (Option 10) at retirement. This retirement option would provide a monthly benefit to you for the rest of your life. If you were to die before receiving benefit payments for five years, your beneficiary would receive that monthly benefit for the remainder of those five years OR a lump sum distribution equal to the present value of those remaining payments. After five years, there would be no payments available to the beneficiary.

Additional retirement options are available. To view an estimate using additional options, log in to PERF Online at **www.perf.in.gov** and use the **Benefit Estimate Calculator**. For more information regarding retirement options, go online to view the member handbook or contact your employer.

We cannot provide your actual benefit amount until you apply for benefits when you choose to retire.

Your Account Information:	
Your date of birth:	<mm/dd/yy>
Your primary beneficiary ² :	<name>
Your total years of creditable service as of Dec. 31, 2006:	<amount>
Current Annuity Savings Account (ASA) balance:	\$ <amount>
Salary used to calculate your pension as of Dec. 31, 2006:	\$ <amount>

Your Estimated Benefits:	
If you worked <number> additional years, at the age of <age>, you could be vested and eligible on <month and year> to receive a full monthly pension benefit of approximately:	\$ <amount>

- Your actual benefit amount may differ from the estimate on this statement because:**
- Your service credit history may need to be clarified further with current or previous employers.
 - Your earnings may increase or decrease in the future.
 - Your benefits are estimated based on current law, which is subject to change.

² Log in to PERF Online at www.perf.in.gov to view a complete list of your beneficiaries.